

AMENDED IN SENATE JUNE 29, 2004

AMENDED IN SENATE JUNE 16, 2003

AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## ASSEMBLY BILL

No. 323

Introduced by Assembly Member Parra

February 7, 2003

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An act to add Article 7 (commencing with Section 999.50) to Chapter 6 of Division 4 of the Military and Veterans Code, relating to veterans.

### LEGISLATIVE COUNSEL'S DIGEST

AB 323, as amended, Parra. Nonprofit veteran service agencies.

Existing law authorizes any state agency, city, county, political subdivision, or district to, without advertising or calling for bids, purchase materials and supplies manufactured by, and services provided by, certain nonprofit California corporations, and to equitably apportion the business among those corporations, provided certain requirements are met.

This bill would ~~authorize any state agency, city, county, political subdivision, or district to, without advertising or calling for bids, purchase goods manufactured by, and services provided by, nonprofit veteran service agencies, as defined, and to equitably apportion the purchases among those agencies, provided certain requirements are met~~ *allow a nonprofit veteran service agency, as defined, to be eligible for certification as a small business, as described, and be granted a small business bid preference, provided certain requirements are met.*

This bill would state the intent of the Legislature in enacting these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Article 7 (commencing with Section 999.50) is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 7. Contracts with Nonprofit Veteran Service Agencies

999.50. It is the intent of the Legislature in enacting this article to ~~do the following~~:

~~(a) Encourage~~ encourage state agencies, cities, counties, districts, and other political subdivisions to purchase goods manufactured by, and services provided by, a nonprofit veteran service agency whenever it is both feasible to do so and the location of the nonprofit veteran service agency makes the purchases reasonably convenient.

~~(b) Provide equality of competitive advantage for nonprofit veteran service agencies.~~

~~999.51. (a) Any state agency, city, county, district, or other political subdivision may, without advertising or calling for bids, purchase goods manufactured by, and services provided by, a nonprofit veteran service agency that has indicated an interest in supplying those goods and services, and may, on an equitable basis, apportion these purchases among the interested nonprofit veteran service agencies.~~

~~(b) The state agency, city, county, political subdivision, or district may make and apportion the purchases authorized by subdivision (a) provided all of the following conditions are met:~~

*999.51. (a) A nonprofit veteran service agency shall be eligible for certification as a small business under the Small Business Procurement and Contract Act, as described in Chapter 6.5 (commencing with Section 14835) of Part 5.5 of Division 3 of Title 2 of the Government Code, and may be granted a small business bid preference if it meets all of the following conditions:*

1 (1) The goods or services meet the specifications and needs of  
2 the purchasing agency.

3 (2) The goods or services are purchased at a fair ~~market~~ *and*  
4 *reasonable* price, as determined by the appropriate state or local  
5 agency.

6 (3) The nonprofit veteran service agency complies with all of  
7 the following requirements:

8 (A) The nonprofit veteran service agency shall employ  
9 veterans receiving services from the nonprofit veteran service  
10 agency for not less than 75 percent of the person-hours of direct  
11 labor required for the production of goods and the provision of  
12 services performed pursuant to a contract under this section ~~during~~  
13 ~~the fiscal year~~.

14 (B) The nonprofit veteran service agency agrees to make those  
15 elections permitted of any nonprofit corporation under the Federal  
16 Insurance Contributions Act (26 U.S.C. Sec. 3103 et seq.) and the  
17 Unemployment Insurance Code in order to provide social security  
18 and unemployment and disability benefits for its employees,  
19 commencing with its first contract or purchase order under this  
20 section and continuing thereafter. In the event that the nonprofit  
21 veteran service agency ceases to provide those benefits, any  
22 existing contract or purchase order under this section with the  
23 nonprofit veteran service agency is terminated and no further  
24 contracts or purchase orders shall be awarded to that nonprofit  
25 veteran service agency for the period of two years after the  
26 nonprofit veteran service agency ceases to provide the benefits.

27 (C) The nonprofit veteran service agency does not commit any  
28 unfair labor practices, as defined in the National Labor Relations  
29 Act, at Section 158 of Title 29 of the United States Code.

30 (D) The nonprofit veteran service agency abides by the  
31 provisions of the federal Fair Labor Standards Act of 1938 (29  
32 U.S.C. Sec. 201 et seq.), the Walsh-Healy Public Contract Act (41  
33 U.S.C. Sec. 35 et seq.), and the regulations of the Department of  
34 Industrial Relations (8 Cal. Code Regs. 1 et seq.).

35 ~~(e)~~—

36 (b) For purposes of this section:

37 (1) “Nonprofit veteran service agency” means a  
38 community-based organization that meets the following  
39 requirements:

1 (A) It is exempt from tax under Section 501(c)(3) of the  
2 Internal Revenue Code.

3 (B) Its principal purpose is to provide housing, substance  
4 abuse, case management, and employment training services for  
5 low-income *veterans*, disabled *veterans*, or homeless veterans and  
6 their families.

7 (2) “Direct labor” includes all work required for preparation,  
8 processing, and packing of a good, or work directly relating to the  
9 performance of a service, excluding supervision, administration,  
10 inspection, and shipping.

11 (3) A veteran receiving services from the nonprofit veteran  
12 service agency shall be considered an employee when performing  
13 productive work.

